

**Answers to questions received September 25, 2019 regarding the City of Davis to provide audit and compliance reviews for cannabis**

1. The scope and objectives throughout the RFP refer to financial audits being performed. Is the City requesting financial statement audits to be performed in accordance with generally accepted auditing standards? If so, is the City asking auditors to express an opinion on financial statements as a whole in accordance with GAAP? Or is the City asking for more of an operational audit that includes performing audit procedures to confirm gross revenues for Measure C tax purposes?  
*This is not a financial audit; however, an audit of cannabis revenue received by the City. This is a performance audit to confirm the gross revenues and ensure the City received the revenue correctly.*
2. Does the City expect the auditors to also express an opinion on the Cannabis Businesses' compliance with State and City cannabis related municipal codes? Or is the City looking for more of an Agreed-Upon procedures report, identifying non-compliance with such regulations?  
*Agreed-Upon procedures report identifying any non-compliance and the understatement of revenues.*
3. The Scope of Services states that the proposer is to include how often the audits and reviews are to be performed. Does the City have an audit period it would like to start with (i.e. first calendar year approved for licensing, or the last running 12 months, or last two June 30 fiscal periods)?  
*Since inception of the business*
4. [RFP Question] We would like to include examples of Statement of Operating Procedures (SOP) that we developed and implemented for Cannabis companies in our proposal. They are proprietary and confidential in nature. How do you recommend that we include these examples in our proposal without disclosing them to competitors?  
*Firm can submit a confidential file to the Director of Finance and the City Attorney (Inder Khalsa)*